

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 750

Washington, D. C.

July 13, 1939

NEW WAGE-HOUR AMENDMENTS

Revised Barden Bill Makes Significant Changes Affecting Canning Industry

In an effort to break the existing deadlock concerning proposed amendments to the wage and hour law, occasioned by the refusal of the House to consider the proposed Norton bill, H. R. 5435, Congressman Barden on July 11, 1939, introduced a new bill, H. R. 7133, which embodies a great many of the proposed amendments contained in the Norton bill and likewise contains revised provisions relating to the application of the Fair Labor Standards Act to agricultural processing industries.

The sponsors of this new bill are hopeful that the Rules Committee will permit the Norton bill to come to the floor of the House under a rule which will permit the substitution of the new Barton bill for it. While the enactment of any amendments will be dependent upon how long Congress remains in session and upon the possibility that the supporters of the Norton bill can be persuaded to approve the new Barden bill, the chances of enactment of amendments substantially embodying the new Barden bill are sufficiently strong to necessitate careful consideration by every canner of the changes it proposes.

Chairman Carroll E. Lindsey of the Association's Legislative Committee has called a meeting of that Committee to be held at the Association's headquarters at Washington, on Monday, July 17, 1939, to consider this new bill. This issue of the INFORMATION LETTER has been delayed to permit inclusion of the text of these new amendments, in order that the changes proposed might be made available to canners in time to permit them to advise the Association and its Legislative Committee of their views. To the end that consideration by the Legislative Committee may be as constructive as possible, all canners are requested immediately to communicate by fast mail or wire their views concerning the changes proposed in this bill.

These changes relate principally to the scope of the two provisions in the present Act affording exemptions for the canning of fruits and vegetables.

"Area of Production" Eliminated

First, it is proposed to eliminate completely the troublesome phrase, "area of production." Instead of exempting from both the wage and hour provisions any canner located within the area of production, the new Barden bill [Section 13 (a) (11)] exempts from both wage and hour provisions "any employee employed in connection with or incidental to the—

* * *

"(F) Canning, processing, or preserving of any perishable or seasonal fruit or vegetable (including handling and transportation in connection with or incidental to such operations) if his employer does not engage during the same calendar year in canning, processing, or preserv-

ing any agricultural commodity except perishable or seasonal fruits or vegetables and does not engage during the same calendar year in recanning any agricultural commodity or product thereof;"

Under this language the total exemption from both hour and wage provisions is limited only to those canning companies which in all of their factories engage in canning only perishable or seasonal fruits or vegetables. If a particular canning company in any of its plants at any time in a calendar year cans or otherwise processes anything other than a seasonal or perishable fruit or vegetable or engages in recanning any agricultural commodity, the exemption does not apply to any of its factories even though some of such factories engage only in canning seasonal or perishable fruits or vegetables. The location of the particular factory or the area from which it draws its raw commodities is immaterial.

Thus, if an employer (whether an individual, a partnership, a cooperative association, or a corporation) has several plants and if at any time in any one of these plants he packs a dry line, his exemption for any plant is completely destroyed for that calendar year. Similarly, if in any establish-

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TEMPORARY INJUNCTION GRANTED AGAINST "AREA OF PRODUCTION" REGULATION

Enforcement in Florida by Wage-Hour Official and District Attorney Enjoined

United States District Judge Alexander Akerman granted on Monday, July 10, a temporary preliminary injunction against the enforcement in Florida of the regulation defining the "area of production" and controlling the scope of the exemption afforded by Section 13 (a) (10) from both the minimum wage and maximum hour provisions of the wage and hour law.

Suit to enjoin the enforcement of the regulation had originally been brought by five Florida fresh citrus fruit packers and citrus canners against Administrator Andrews, the wage and hour inspector for Florida, and the United States attorney in Florida. On June 19 a temporary restraining order had been issued, and argument on the application for a preliminary injunction was held on June 26 and 27, at which time Mr. Andrews was dismissed as a defendant. On the same day a large group of additional fresh fruit packers and citrus canners intervened as plaintiffs. (See INFORMATION LETTER No. 749, July 1, 1939, p. 5895.)

The preliminary injunction restrains only the remaining two defendants, the wage and hour law inspector in Florida and the United States attorney for Florida, from enforcing this particular definition between the date the injunction is issued and the date on which the case is finally decided after trial. It operates only in favor of the particular plaintiffs and restrains enforcement only by the individual defendant offi-

cials. Technically, it would in no way prohibit suits by employees pursuant to other provisions of the law.

In and of itself this preliminary injunction has no legal effect upon the enforcement of the "area of production" definition in any other part of the United States.

It is likewise possible for the government to take an immediate appeal from this preliminary injunction, and in view of the many technical jurisdictional objections urged by the government in opposition to the granting of the injunction, it is not at all unlikely that an interlocutory appeal may be taken.

The District Court made a number of findings of fact, among which were the following: That the plaintiffs either had their factories in cities of more than 2,500 population or drew varying amounts of their supplies from citrus groves more than 10 miles distant; that the minimum wage of 25 cents an hour was paid except in the case of about 20 per cent of the total piece-work employees who because of age, inexperience or lack of adaptability earned less than that hourly wage; that the fourteen-week exemption in section 7 (c) was inadequate in the citrus industry; that compliance would mean heavy added expense, and irreparable financial loss; that the plaintiffs had exhausted their administrative remedies in previous petitions to the administrator; that since neither the defendant U. S. attorney or the wage and hour inspector had disclaimed their intention to enforce the regulation, and in view of the published releases, radio addresses and speeches of the administrator, as well as the institution of criminal prosecution against other employers in Florida, there was an imminent threat of prosecution.

The court concluded on the preliminary showing that sections (a) and (d) of the regulation were void because the Act did not authorize the administrator in defining the "area of production" to change the usual logical, reasonable and generally accepted meaning of the words; that the population of the city or town in which the factory was located does not have any reasonable relation to whether it is in the area of production for citrus fruits and also that there was no legal basis for the distinction based on the mileage over which citrus fruit is drawn.

Wage-Hour Division Announces Regional Plan

A 16-region set-up for the Wage and Hour Division of the Department of Labor has been announced by Administrator Elmer F. Andrews. They will be located in Boston, New York, Philadelphia, Richmond, Charlotte, Atlanta, Birmingham, Nashville, Cleveland, Chicago, Minneapolis, Kansas City, Dallas, Denver, Seattle, and San Francisco. A policy of limited decentralization of the functions of the Division, heretofore controlled directly from Washington through 30 field offices, was also announced. No opening dates for the regional offices were announced.

Trade Practice Conference for Ripe Olive Cannery

A trade practice conference for the ripe olive canning industry will be held July 14 in San Francisco at the Post Office Building. Chairman R. E. Freer of the Federal Trade Commission will preside at the conference.

"AREA OF PRODUCTION" INQUIRY

10-Mile Limitation Relates to Location of Farms —Not Vining or Receiving Stations

The Association has received a number of inquiries from cannerymen concerning the application of the 10-mile limitation in the existing Administrative definition of the phrase "area of production," which controls the exemption from both hours and wages under Section 13 (a) (10) of the Fair Labor Standards Act.

In order for a canning establishment to be located within the area of production, it must not only be located in the open country or in a city or town of 2,500 or less population, according to the 15th United States Census, 1930, but it must also operate "on materials all of which come from farms in the immediate locality" and "immediate locality shall not include any distance of more than 10 miles."

The question has been repeatedly asked whether the limiting distance of 10 miles is to be measured from the field vining station or field receiving station, in cases where such stations are located within 10 miles of a cannery but growers deliver to these field stations crops raised at a distance greater than 10 miles from the cannery. The Association has been advised that the controlling distance must be measured between the cannery and the farm on which the commodities processed have been grown.

Label Declaration of Ingredients in Canned Beans

Cannerymen of baked beans and beans with pork will be interested in the following letter received by the Association from W. G. Campbell, chief of the Food and Drug Administration:

"We have your letter of July 1 asking whether the Administration is correctly quoted in the statement appearing in a trade publication to the effect that we have stated that 'ingredients of molasses and tomato sauces in baked beans will not have to be declared individually.'

"In connection with recent consideration of this subject we have taken the position that we would not insist upon the declaration of each ingredient of such sauces on canned beans labels provided the composition of the sauce in every case conforms to the generally accepted composition of sauces used for that purpose."

It appears from this that a suitable list of ingredients to appear on the label need not list water as an ingredient, provided that the sauce is of the generally accepted composition and correctly declared, and also provided that no water is added in addition to that in the sauce and that absorbed by the beans themselves under proper conditions of soaking and blanching.

Bids on Canned Foods Invited

The Quartermaster Supply Officer at Brooklyn, N. Y., has asked for bids, to be opened July 21, on a number of canned foods in large amounts. These include applesauce, apricots, beans with pork and tomato sauce, string beans, carrots, grapefruit, orange juice, pineapple, sweet potatoes, and tomato juice. Delivery is to be made to 1st Ave. and 58th St., Brooklyn, N. Y. Further information and copies of the invitation to bid can be secured from the Quartermaster Supply Officer at that address.

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ment a canner engages in any recanning operation, the exemption for all of his establishments is destroyed. The amount of processing other than on perishable or seasonal fruits or vegetables or the amount of recanning is immaterial.

The exemption in the new bill is controlled in great measure by the definition to be given to the term "employer." Whether this will be construed to mean the particular corporation employing specified individuals or whether affiliated or subsidiary employing corporations will be treated as a single employer remains to be seen.

It should also be noted that the proposed language specifies that the exemption shall exist only if the employer "does not engage during the same calendar year" in packing anything else besides seasonal or perishable fruits or vegetables, or in recanning. Efforts might be made to interpret this provision to mean that if during the early part of a calendar year an employing canner took advantage of the exemption, and later during such calendar year engaged in dry line operations or in recanning in any plant, readjustment of hourly rates and overtime might have to be made for all of his canneries.

Hours Exemption Increased to 16 Aggregate Workweeks

Second, the existing exemption from the maximum workweek provisions, contained in Section 7 (c) of the Act, which permits unlimited working hours during any 14 workweeks in the aggregate in any calendar year, is to be amended to provide that

"in the case of an employer not exempted under the provisions of section 13 (a) (11) (F) engaged in the canning, processing, or preserving of any perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations, the provisions of subsection (a) during a period or periods of not more than 16 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged."

Pursuant to this provision, if enacted, those canners of perishable or seasonal fruits and vegetables, and canners of dried fruits but *not dried vegetables*, who are not exempt under the wage and hour provisions, will be required to pay the minimum wages specified in the law but will be permitted to work unlimited hours during any 16 workweeks in the aggregate in any calendar year. This proposed amendment respecting hours alone represents a liberalization of the existing law in that the opportunity to work necessary hours without payment of overtime is increased from 14 to 16 workweeks in any calendar year. It will be recalled that these 16 weeks may be distributed throughout the year in any manner that the canner deems necessary and no workweek need be counted against the exemption unless the hours worked by employees exceed 44. It should also be observed that this exemption specifically reads "in the place of employment" so that all of the employees in a particular factory will be considered as a single group in determining whether the permitting exemption has been exhausted.

It would seem that the canning of any agricultural commodity other than perishable or seasonal fruits and vegetables,

or dried fruits, will be fully subject to the Act without any exemption. This would include the packing of spaghetti, dried beans, soaked peas, etc.

Other Important Amendments

The Barden bill proposes a number of other important changes of less direct interest. The application of the statute to Puerto Rico is limited; the administrator is specifically empowered to issue rules and regulations that shall have the force of law and violation of which shall constitute a misdemeanor; any person acting in good faith in conformity with any administrative regulation is given protection in the event of rescission or invalidation of such regulation; provisions for rural home work and telegraph messengers is made; the purchaser of goods produced in violation of the Act is protected if he has no knowledge of the violation; employees' suits are limited by a six-months statute of limitation; the injunction procedure to prevent violation is amplified; and a specific prohibition against interstate transportation of convict-made goods is provided.

Congress Summary

Since the last issue of the INFORMATION LETTER the status of the following bills of interest to canners was advanced.

The House passed a bill (H. R. 5681) to permit the Federal Surplus Commodities Corporation to purchase and distribute surplus fishery products.

The Rules Committee of the House granted a right-of-way for House consideration of the Barkley water pollution bill (S. 685).

Senate and House conferees reached an agreement on the District of Columbia revenue bill and the report was adopted by the Senate, but was rejected by the House July 12 by a vote of 239 to 74. The agreement provided for an income tax for the District of Columbia in lieu of the business privilege tax that expired on June 30.

The bill to amend the Social Security Act (H. R. 6635) was reported favorably by the Senate Finance Committee on July 7 and the Senate began its consideration of the measure on July 11.

Food-Drug Act General Regulations Revised

Changes in the general regulations promulgated under the Federal Food, Drug, and Cosmetic Act, made necessary by the Amendment to the Act approved June 23, 1939, have been approved by the Secretary of Agriculture. The new regulations are in line with the amendment which changed the text of the statute so as to require a label declaration of the name, quantity or proportion of certain specified drugs, instead of the name, quantity and percentage.

Other clarifying changes have been made. These revisions were published in the June 30 issue of the *Federal Register*, which can be obtained from the Government Printing Office at Washington, D. C.

Founder of Clapp's Baby Foods Dies

Harold H. Clapp, founder and first president of Clapp's Baby Foods, Inc., of Rochester, N. Y., died in Nassau Hospital, Mineola, L. I., June 13. He was 48 years old.

MERCHANDISING PROBLEMS INVOLVED IN MARKETING 1938 PEA PACK

Seasonal Pattern of Shipments Shown for Certain Groups of Cannerys

The merchandising of the 1938 pea pack when viewed in retrospect brings to light a number of factors that differed from former years. Certain facts were outstanding at the beginning of the year: the heavy carryover from the 1937 pack; the large pack of 1938 that made a record supply of peas, exceeding 30,000,000 cases. The size of the supply created a certain amount of confusion among both cannerys and distributors. The season opened with unusually low prices which did not provide the usual stimulus to buying because it was difficult to gauge the probable trend in prices. Furthermore, there were very few future contracts which meant that cannerys had to operate on the spot market throughout the year.

The new crop of Alaskas, which is always on the market before Sweets, got away to a poor start. In spite of the larger supply, the shipments during the first three months, June, July and August, were only 80 per cent of the shipments during the corresponding period of 1937. From September to March, however, the level of shipments of Alaskas exceeded 1937 and was larger than the representative movement for that period of the year. In this article, "representative movement" is taken to mean the average of the various monthly shipments for the three marketing years, 1935-36 to 1937-38, the only years prior to 1938-39 for which complete data are available.

The March and April shipments fell below 1937 but the shipments for May were definitely above 1937 or for previous years. Shipments of Alaskas for the year, although the largest on record, were only a little over 100,000 cases more than the total for 1937-38. It should be pointed out, however, that the entire movement of about 10,000,000 cases of Alaskas for 1938-39 was shipped to the trade, whereas in 1937-38 about 700,000 cases were purchased by the government for distribution through relief channels.

Sweet peas presented a more difficult merchandising problem as the supply was more than 25 per cent larger than 1937 and 45 per cent larger than the average of the preceding three years. Whether in spite of or because of this large supply, the movement for the first three months was the largest on record. It was more than 20 per cent larger than for the first three months of 1937 and about 13 per cent larger than the representative movement of June, July and August. The September shipments of Sweets, however, fell below 1937, but in spite of this fact, the movement to October 1 exceeded the movement for the corresponding period in 1937. For that matter, the movement of the 1938 crop of Sweet peas continued ahead of 1937 throughout the year.

The volume of shipments for the year amounted to more than 12,500,000 cases which is the largest on record. The nearest approach to this record was the 1937-38 movement of 11,117,000 cases, a small portion of which was purchased by the government for relief purposes.

This brief summary of the shipments of canned peas for 1938-39 gives a picture of the volume moved into consuming

channels. It does not, however, give much indication of the magnitude of the merchandising job that faced the cannerys last year, nor does it present any of the details as to how successfully this job was accomplished. Each year pea cannerys are faced with the task of selling and shipping the current supply. For the marketing year 1938-39, the supply amounted to over 30,000,000 cases; in 1937-38—25,621,000 cases; 1936-37—19,842,000 cases. Cannerys' efforts to dispose of the supply for each of these years have met with increasing success as measured by the fact that shipments have increased accordingly. The increase in shipments, however, has not kept pace with the increase in supply. At the end of the 1936-37 marketing year 2,245,000 cases were left on hand; in 1937-38—4,654,000 cases; and on June 1, 1939—7,425,000 cases.

Not only has the carryover been increasing in volume; it has likewise been increasing as a percentage of the supply. At the end of 1936-37, 11.3 per cent of the year's supply was on hand; the carryover the following year represented 18.1 per cent of the supply; whereas the carryover on June 1, 1939 was 24.7 per cent of the supply. A great many cannerys feel that each year's operation should be complete within itself and that the supply should be cleaned up before the next pack begins.

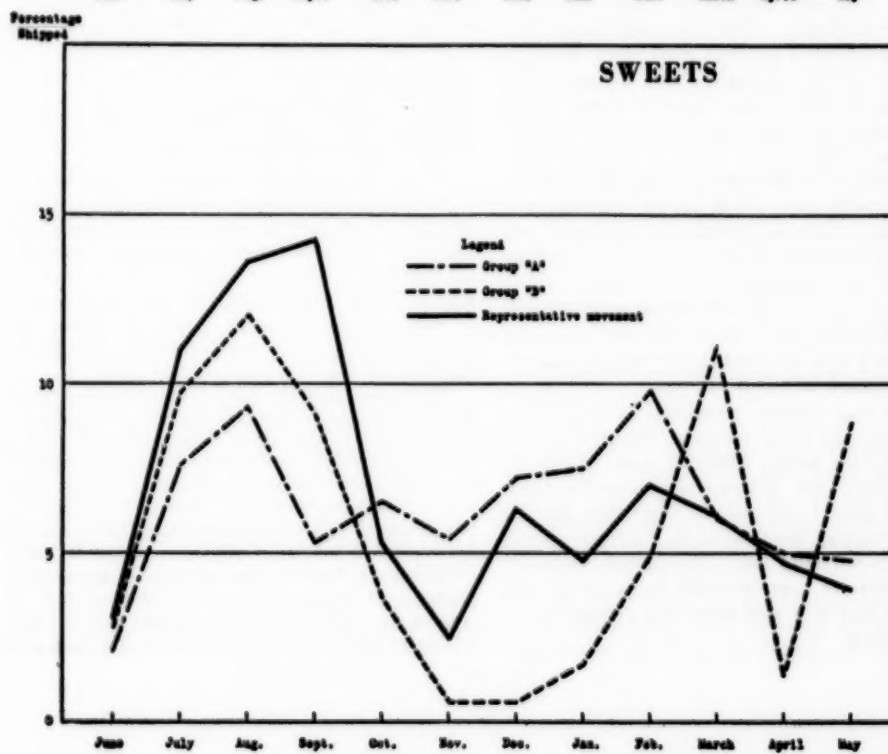
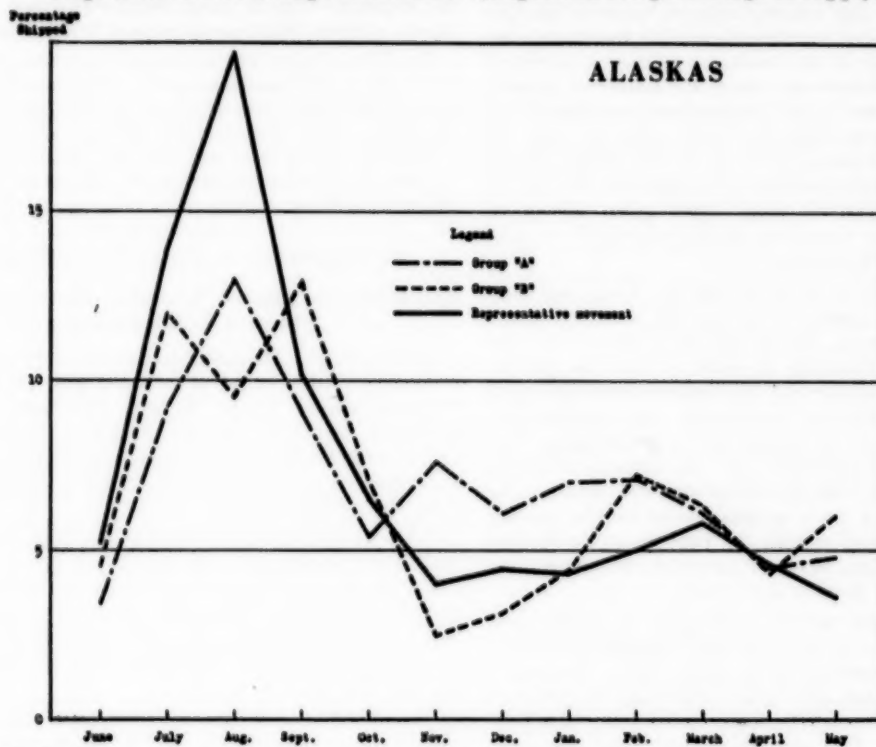
There are others, however, who maintain that the changes that have taken place in merchandising, forcing packers to assume most of the function of warehousing, make it necessary that cannerys carry over approximately 10 per cent of a normal supply. If this reasoning is sound, a normal supply of canned peas would be approximately 110 per cent of the amount that the consuming trade will buy at prices that will permit profitable operations. No one knows exactly how much that would be as it varies with consumer purchasing power and competition from other canned vegetables and other foods.

Merchandising policies, which function satisfactorily in years of normal supply with the usual volume sold under future contracts, may not produce satisfactory results in years like 1938-39. Information regarding the details of the various merchandising policies of the individual cannerys is not available, but the results as measured by the monthly sales of individual companies may throw some light on the success of the policies used in 1938-39. The measure of success, however, is difficult to determine from shipments data alone. No one will dispute the fact that for the industry as a whole, the bulk of canned peas was sold this year below the cost of packing.

An individual company may have been successful in disposing of its entire supply, but at a price that would not cover the costs of operation. Another company, following a policy of selling only at a price that would cover its costs, may have made a profit on its sales but may have sold and shipped only a small percentage of its supply, carrying the bulk over into the 1939-40 season. Another company may work toward the objective of keeping its product before the consumer at all times, and thus shipping its peas out at a more or less normal rate but necessarily keeping the price adjusted to demand conditions.

Some maintain that no sales policy can be entirely successful in a year like 1938-39. To others the measure of success

Canned Peas:—Representative Monthly Shipments Compared with 1938-39 Shipments of Two Groups of Canners. (Expressed as a percentage of supply)



may be the policy that will result in the smallest loss and which, over a longer period of time, may be profitable.

An analysis of the monthly sales of each of the 350 canners operating last year reveals the fact that there were apparently all types of merchandising policies in operation. A few canners followed very closely the pattern of monthly sales of former years. A few shipped uniformly throughout the season, ending up with very small stocks on hand. A small number sold substantially all of their pack early in the season and made practically no shipments for the remainder of the year. A much larger group showed an irregular movement and a few shipped practically no peas throughout the entire season.

It is not possible to show the pattern of seasonal shipments of all these groups. The industry was divided into two groups for study. In the preceding charts, the pattern of seasonal shipments of each of these two groups is shown in comparison with the representative movement of the entire industry for former years. The monthly shipments are shown as a percentage of the total supply. The available records of shipments show the movement for June, July and August and for subsequent individual months. As the shipments for a three months' period cannot be compared with individual months, the June to August total is broken down to show, as nearly accurately as possible, the shipments for each of these three months.

The representative pattern of shipments of Alaska peas shows a heavy movement up to the first of September amounting to more than one-third of the total supply. September and October shipments are usually fairly large, but decreasing in volume. November, December and January have been relatively low but February, March and April somewhat higher, with a peak in March. After the March peak, shipments usually drop off until the new pack starts to move.

In 1938-39 the A group of canners (see accompanying chart) shipped about the same relative amount as the B group from June to September, but fell below the B group in September and October. During the period of normally low shipments, November, December and January, the A group continued shipping well above the B group. In February, however, the B group's shipments increased to about the same percentage as that shipped by the A group and followed the A group pattern to May when again it jumped ahead.

The A group had a supply of 3,500,000 cases of Alaskas and the B group 8,850,000 cases. By the end of the year the A group had shipped 83.3 per cent of its supply, whereas the B group had shipped only 79.8 per cent.

The difference is more striking in the case of Sweet peas. The A and B groups had about the same supplies to start the season, the A group having 8,987,000 cases and the B group 8,762,000 cases. The B group accounted for more of the sales to September 1 and also for September, but fell below the A group during the October to February period, when shipments are normally low. The March movement for the B group, however, was unusually large, being well above the A group and also well above the average movement for former years.

The record for the year of these two groups shows about a 10 per cent advantage for the more uniform movement of the A group. The B group shipped 66.4 per cent of its supply, whereas the A group shipped 76.5 per cent.

The facts relating to the seasonal movement of peas are presented in this article for your consideration. The data are not sufficiently complete for us to draw any conclusions regarding merchandising policies used last year. This study is, however, being continued and it is hoped that further analysis may throw some light on the relative success of various merchandising policies.

DESCRIPTIVE LABELING APPROVED

Resolution of Retail Grocers' Convention Also Opposes Grade Labeling

Opposition to grade labeling and approval of descriptive labeling of food in cans and packages were expressed in a resolution passed by the National Association of Retail Grocers at its recent convention held in Kansas City. The resolution speaks of the "mis-leading and unfair implications" of grade labeling, and "the impossibility of successfully and fairly issuing such grades."

The National Canners Association has worked for several years to develop accurate and practical descriptive terms for a large number of canned foods in order that consumers may be provided with the information they need to make proper purchases. The efforts of the Association to secure wider use of these terms among all canners have met with steadily increasing success.

This endorsement of the Association's descriptive labeling plan by the grocers, who are in closer touch with consumers than any other distribution group, should encourage the use of available descriptive labeling terms by any canners or distributors who have not yet made use of them. The grocers' resolution not only supports but proves the worth of the National Canners Association's activities in developing descriptive labeling for canned foods.

The resolution adopted at the grocers' convention follows:

"WHEREAS, all members of the National Association of Retail Grocers believe that the consumer is entitled to know more about the commodities she buys in food stores; and

"WHEREAS, to do this, she must be able to determine instantly exactly what is inside the can or package; and

"WHEREAS, there is much controversy throughout the country today over 'grade' labeling and 'descriptive' labeling; therefore be it

"RESOLVED, that the 42nd Annual Convention of the National Association of Retail Grocers, assembled in Kansas City on June 19th to 22nd, hereby urge all packers, canners and manufacturers to give attention to 'descriptive' labeling, which shows the consumer a picture of the product, tells her how it is packed, the number of units in the package, number of portions it will serve, and similar facts with reference to the product in the can or package; and be it further

"RESOLVED, that the National Association of Retail Grocers expresses its opposition to 'grade' labeling because of its mis-leading and unfair implications, and because of the impossibility of successfully and fairly issuing such grades."

WISCONSIN UNEMPLOYMENT ACT

Seasonal Workers Must Now Show Earnings of \$100 from Previous Employment

The possibility that canners in Wisconsin will be able to qualify for reductions in their unemployment compensation tax rates has been materially increased by amendments to the Wisconsin Unemployment Reserves and Compensation Act recently approved by the governor of that State.

One of these amendments provides that no person employed in a canning plant solely during the active canning season can qualify for unemployment compensation benefits unless he can demonstrate that he had earned at least \$100 in some other occupation during the year preceding his employment in the canning plant. The practical effect of this amendment will be to exclude from participation in benefits the many workers employed in seasonal canning operations who perform no other work during the year. Many of these workers, such as housewives, students, etc., work in a canning plant during seasonal operations merely to earn a little extra money, and cannot really be deemed unemployed at the end of the season.

The Association long ago took the position that such workers should not qualify for benefits since they are not unemployed when they return to their normal pursuits at the end of the season. The Wisconsin amendment will serve to exclude such workers from benefits.

The Wisconsin amendment *does not* exempt canners from the obligation of paying unemployment compensation taxes on the wages of seasonal workers. It merely provides that these seasonal workers may not qualify for benefits, and the fact that these workers do not receive benefits will be reflected in the canners' tax rate under the merit-rating provisions of the Wisconsin Act.

A provision having a somewhat similar effect has also been recently adopted as an amendment to the Minnesota Unemployment Compensation Law. The Minnesota law requires an employee to earn *wage credits* equal to not less than 30 times his weekly benefit amount before he can become eligible to receive benefits. The Act further provides, however, that in computing wage credits earned by an employee in a seasonal industry, the entire wages earned in the seasonal industry shall not be considered, but only the portion of such wages that bears the same relation to the total wages earned as the canning season bears to the calendar year. The effect of this provision will be to reduce the unwarranted payments of benefits to seasonal workers who are not truly unemployed at the end of the season. These reductions in benefit payments will make it more likely that canners in Minnesota will be able to qualify for reduced tax rates under the merit-rating provisions of the Minnesota Act.

Connecticut Governor Approves New Food Act

A new Food, Drug, and Cosmetic Act for the State of Connecticut was recently enacted by the legislature of that State and approved by the governor. The new Connecticut Act follows quite closely the provisions of the Federal Act, its

adulteration and misbranding sections being substantially identical with those in the Federal Act.

The Act states that its purpose is to enact legislation which will be uniform with Federal legislation, and to this end the Dairy and Food Commissioner of Connecticut is authorized to adopt the regulations promulgated by the Secretary of Agriculture under the Federal Act. In addition, the Act specifies that the definitions and standards of identity, and the standard of quality, which the Connecticut Commissioner is authorized to promulgate, shall conform so far as practicable to the definitions and standards promulgated by the Secretary of Agriculture.

The Connecticut Act specifies that it shall take effect on July 1, 1940, but provides that if the Federal Act becomes effective prior to that date, the Connecticut Act shall become effective at the same time that the Federal Act does.

Hearing Held on "Consumers' Bureau"

A hearing before a trial examiner of the Federal Trade Commission, in the matter of the complaint issued by the Commission against the "Consumers' Bureau of Standards," is being held July 8 in New York City. The hearing is for the purpose of taking testimony in the case, and later final arguments will be heard by the full Commission.

The organization is charged by the Commission with misleading representations in the sale of published reports. The charges were reported in the INFORMATION LETTER for March 4, 1939, page 5751.

Richard Castle Killed in Automobile Accident

Richard Snow Castle, 36, since 1935 vice president and general manager of the United Packing Corporation, Oakland, Calif., was killed June 28 in an automobile accident. He was a member of the Board of Directors of the Canners League of California and the Canners Industry Board of San Francisco.

Libby's Home Economics Director Wins Award

Miss Virginia E. Porter, Director of Home Economics of Libby, McNeill & Libby, was the winner of an award for the most outstanding contribution to advertising by a woman in 1938. The trophy is an annual honor bestowed by the Women's Advertising Club of Chicago.

Increase Expected in Freight Car Loadings

Freight car loadings in the third quarter of 1939 are expected to be about 9.9 per cent above actual loadings in the same quarter in 1938, according to estimates just compiled by the thirteen Shippers' Advisory Boards and made public July 5. All thirteen districts, except the Central Western and the Trans-Missouri-Kansas, estimate an increase in car loadings for the third quarter of 1939 compared with the same period in the preceding year.

Of the 29 commodities included in the estimate, increases are expected in 21 and decreases in 8. Loadings of all canned food products, are expected to increase.

REPORTS ON CANNING CROPS

Marketing Service of Department of Agriculture
Reports Indicated Acreages

Reports on indicated acreages for peas, green lima beans, and beets for canning, and indicated production in 1939 for peas, were released July 12 by the Agriculture Department's Agricultural Marketing Service. This reporting function formerly was performed by the Bureau of Agricultural Economics.

Green Peas for Manufacture

Reports from canners and freezers of green peas giving information to the Agricultural Marketing Service on the condition of the crop on July 1 and probable yield, indicate a reduction of less than 2 per cent from the production indicated on June 15. The 1939 production in prospect on July 1 of 184,860 tons for canning and freezing compares with 302,540 tons estimated for 1938, and the average production for the preceding 10-year (1928-37) period of 193,660 tons.

The 1939 yield of 1,457 pounds per acre indicated on July 1 compares with 1,877 pounds in 1938 and the 10-year (1928-37) average of 1,521 pounds per acre. The yields indicated on July 1 were below average in all of the important States except Michigan, Wisconsin and the two Northwestern States of Oregon and Washington.

State	Yield per Acre		Production	
	1938	Indicated 1939	1938	Indicated 1939
	Pounds	Pounds	Tons	Tons
Maine.....	1,520	1,070	2,860	3,700
New York.....	1,760	1,100	32,300	18,980
Pennsylvania.....	2,520	1,140	8,060	3,250
Ohio.....	1,300	800	3,060	1,680
Indiana.....	1,740	1,150	6,610	3,910
Illinois.....	1,370	1,300	11,140	9,680
Michigan.....	1,760	1,300	11,180	4,100
Wisconsin.....	1,940	1,380	99,200	47,330
Minnesota.....	1,840	1,340	18,630	13,400
Iowa.....	1,980	1,250	2,710	920
Delaware.....	820	650	1,400	810
Maryland.....	1,880	1,350	17,770	9,580
Virginia.....	2,100	1,380	4,200	2,550
Colorado.....	1,800	1,400	2,950	2,280
Utah.....	2,900	2,300	20,660	11,500
Washington.....	1,800	2,280	26,460	24,850
Oregon.....	1,690	1,870	17,280	15,710
California.....	1,480	1,200	2,770	1,920
Other States.....	2,045	1,532	13,300	8,620
Total.....	1,877	1,457	302,540	184,860

Green Lima Beans for Manufacture

A total of 47,790 acres planted to green lima beans for manufacture is indicated for 1939, according to reports received by the Agricultural Marketing Service. This compares with 55,010 acres estimated for 1938 and the average plantings of 29,310 acres for the preceding 8-year (1930-37) period. The greatest reduction is indicated for Michigan and Wisconsin.

Reports from firms that have contracted or planted green lima beans for freezing this season indicate this acreage in the United States will total not less than 12,670 acres in

1939, compared with 13,380 acres grown by the same firms in 1938. It appears that almost every firm engaged in growing green lima beans for freezing is included in these reports. Deducting the acreages for freezing from the total plantings for manufacture, leaves 35,120 acres planted for canning purposes in 1939 compared with 41,630 acres planted for canning in 1938.

State	Planted Acreage				Preliminary
	1935	1936	1937	1938	1939
	Acres	Acres	Acres	Acres	Acres
New Jersey.....	4,100	6,500	11,000	13,100	10,800
Delaware.....	8,000	8,500	10,760	11,000	10,600
Maryland.....	3,200	3,320	3,200	3,700	3,620
Virginia.....	5,300	5,500	6,600	7,400	7,400
Michigan.....	3,000	3,820	3,650	4,250	1,320
Wisconsin.....	900	1,160	1,900	2,000	1,700
Other States.....	4,720	5,640	9,560	13,560	12,350
Total.....	29,220	34,440	46,670	55,010	47,790

Beets for Canning

The 1939 preliminary estimate of the acreage planted to beets for canning is 8,330 acres. This compares with the 1938 plantings of 12,480 acres and average plantings for the preceding 8-year (1930-37) period of 7,970 acres.

The table below shows, by States, the estimates of acreage planted to beets for canning from 1935 to 1938 and the indicated acreage for 1939.

State	Planted Acreage				Preliminary
	1935	1936	1937	1938	1939
	Acres	Acres	Acres	Acres	Acres
New York.....	2,600	2,600	4,300	2,650	2,900
New Jersey.....	500	800	1,050	800	200
Indiana.....	360	400	280	350	300
Michigan.....	700	900	1,200	1,480	520
Wisconsin.....	2,600	2,800	4,050	3,900	1,600
Oregon.....	640	900	600	440	680
Other States.....	1,610	1,680	2,220	2,860	2,130
Total.....	9,010	10,080	13,700	12,480	8,330

CANNING CROP PROSPECTS

Yields and Conditions of Corn, Tomatoes, and Beans for Manufacture Reported

Tables shown below, giving yields and conditions of corn, beans, and tomatoes for canning, are based on reports issued by the Department of Agriculture on July 12. The planted acreages for 1938 and 1939 are shown. Yields for 1938 are given for all of these crops, and in the case of beans, the Department's estimates for 1939 are shown.

Estimates of the yields of this year's crop of sweet corn and tomatoes are not available, but instead, the condition of the 1939 crop is expressed as a percentage of the condition of the 1938 crop on July 1, 1938. These figures show the condition of the crop as of July 1, 1939, and are based on the reports issued by the Department of Agriculture.

In order that some indication of the progress of the crops since July 1 can be obtained, rainfall figures are given for the first two weeks of July, compared with the corresponding two weeks of 1938.

Green and Wax Beans for Canning

State	Planted Acreage		Yield per Acre		Rainfall	
	1938 Acres	1939 Acres	1938 Tons	1939 Tons	June 28-July 11 1938 Ins.	1939 Ins.
Maine.....	1,770	1,090	2.9	259	2.6	2.1
New York.....	9,200	6,800	1.9	156	1.6	.5
Md. and Del.....	13,800	9,250	1.7	206	1.3	4.7
Pennsylvania.....	2,700	2,100	1.5	143	1.2	.7
Indiana.....	1,300	650	1.4	173	1.4	5.4
Michigan.....	6,800	4,500	1.3	121	1.3	2.0
Wisconsin.....	8,900	7,100	1.4	135	1.4	4.0
Tennessee.....	1,700	2,300	1.3	...	1.3	1.1
Arkansas.....	3,600	2,340	1.6	...	1.0	1.1
Colorado.....	1,040	660	2.6	248	2.3	.1
Utah.....	1,250	660	3.5	215	2.7	.6
Washington.....	1,160	1,160	4.5	385	3.7	.2
Oregon.....	2,240	1,820	5.3	502	4.9	.2
California.....	1,300	400	4.0	277	4.5	.0

Sweet Corn for Canning

State	Planted Acreage		Yield per acre 1938 Cases	Condition 1938 July 1 Per cent ^a	Rainfall	
	1938 Acres	1939 Acres			June 28-July 11 1938 Ins.	1939 Ins.
Maine.....	13,000	6,600	130	91	2.1	1.7
New York.....	23,500	16,000	85	104	1.6	.5
Md. and Del.....	36,600	24,650	63	98	4.7	1.9
Pennsylvania.....	11,900	9,000	54	86	.7	.5
Ohio.....	23,000	16,100	56	92	1.3	1.9
Indiana.....	42,900	30,600	40	110	5.4	1.5
Illinois.....	55,600	43,100	52	109	2.6	4.6
Wisconsin.....	29,000	18,900	57	104	4.0	.5
Minnesota.....	59,900	40,500	59	105	2.8	1.5
Iowa-Nebraska...	37,500	17,200	64	105	2.5	2.3

Tomatoes for Manufacture

State	Planted Acreage		Yield per acre 1938 Tons	Condition 1938 July 1 Per cent ^a	Rainfall	
	1938 Acres	1939 Acres			June 28-July 11 1938 Ins.	1939 Ins.
New York.....	18,800	16,000	9.2	96	1.6	.5
Maryland.....	56,500	49,400	3.1	95	1.5	.9
Delaware.....	9,600	8,300	3.2	104	3.2	2.8
New Jersey.....	35,700	31,800	4.2	93	.8	4.3
Pennsylvania.....	17,300	18,700	5.2	92	.7	.5
Va. and W. Va.....	22,000	20,000	3.1	92	1.8	3.7
Ohio.....	24,900	22,500	6.8	106	1.3	1.9
Indiana.....	74,000	63,600	4.2	109	5.4	1.5
Tenn. and Ken.....	13,400	8,000	3.0	91	1.1	1.4
Ark. and Mo.....	35,500	21,800	2.4	81	1.1	.8
Colorado.....	3,900	2,700	4.1	90	.1	.0
Utah.....	5,200	6,000	10.6	101	.6	.0
California.....	46,480	54,920	6.0	98	.0	.0

^a Expressed as a percentage of the condition of the 1938 crop on July 1, 1938.

Stocks and Shipments of Canned Sweet Corn

Stocks of canned sweet corn on July 1, 1939, amounted to 8,243,127 actual cases, compared with 5,638,989 cases on July 1, 1938, and 9,528,516 cases on June 1, 1939, according to figures compiled by the Association's Division of Statistics. Of the total stocks in canners' hands on July 1, 1939, 1,899,696 cases were sold but not shipped, and 6,343,431 cases were unsold.

Shipments during June, 1939, amounted to 1,285,389 cases, compared with 1,125,807 cases shipped during June, 1938. Shipments during the 11-month period, August 1, 1938, to July 1, 1939, totaled 17,413,123 cases, compared with 19,451,802 cases during the corresponding months of the previous year.

The report of July 1 stocks of sweet corn is based on reports from canners packing 82 per cent of the 1938 corn pack, together with estimates for the 18 per cent not reported.

Stocks of corn on the cob on July 1, 1939, totaled 24,166 cases, with Eastern States holding 3,410 cases, and Western States having 20,756 cases. Unsold stocks amounted to 11,129 cases, and June shipments totaled 21,704 cases.

EASTERN STATES			
Cream style:	Sold Cases	Unsold Cases	Total Cases
Evergreen.....	95,999	503,996	599,995
Narrow Grain.....	56,645	134,970	191,615
Country Gentleman.....	38,945	79,070	118,015
Crosby.....	8,779	14,324	23,103
Bantam Yellow.....	198,341	1,123,933	1,322,274
Whole Grain:			
Bantam Yellow.....	39,976	159,906	199,882
White.....	15,487	87,757	103,244
Total.....	454,172	2,103,956	2,558,128

WESTERN STATES			
Cream style:	Sold Cases	Unsold Cases	Total Cases
Evergreen.....	116,073	566,765	682,838
Narrow Grain.....	43,841	293,397	337,238
Country Gentleman.....	235,462	941,847	1,177,309
Crosby.....	22,468	34,547	57,015
Bantam Yellow.....	715,687	1,329,134	2,044,821
Whole grain:			
Bantam Yellow.....	267,085	804,154	1,071,239
White.....	44,908	179,631	224,539
Total.....	1,445,524	4,230,475	5,684,999

Indexes on Employment and Prices

Indexes for employment, payrolls, and wholesale prices, in the tables below, are the latest available from the Bureau of Labor Statistics. For employment and payrolls, the indexes are based on the average for the years 1923-25, taken as 100 per cent, while for wholesale prices the average for the single year 1926 is taken as 100 per cent.

	Employment			Payrolls		
	May 1939	April 1939	May 1938	May 1939	April 1939	May 1938
All industries.....	90.1	91.2	83.4	84.4	84.9	72.9
Canning and preserving	92.9	92.8	85.4	85.6	81.0	80.3

	Wholesale prices					
	July 1, 1939	June 24, 1939	June 17, 1939	June 10, 1939	June 3, 1939	July 2, 1938
All commodities.....	75.5	75.5	75.4	75.6	75.7	77.9
All foods.....	67.4	67.4	67.1	67.3	67.5	72.7

Agricultural Marketing Service Made New Bureau

Establishment of the Agricultural Marketing Service as a new bureau in the Department of Agriculture has been completed. Under the direction of C. W. Kitchen, the Service administers related activities transferred from four bureaus of the Department:

(1) From the Bureau of Agricultural Economics—market research, service and regulatory work in connection with cotton, dairy and poultry products, fruits and vegetables, grain, livestock, meats and wool, hay, feed and seed, tobacco, warehousing market news service, and all of the work on crop and livestock estimates; (2) from the Bureau of Animal Industry—administration of the Packers and Stockyards Act; (3) from the Bureau of Plant Industry—administration of the Federal Seed Act; and (4) from the Bureau of Dairy Industry—administration of the Dairy Exports Act.

Unsold Stocks of Canned Salmon

Unsold stocks of canned salmon on June 30, 1939, totaled 999,827 actual cases, compared with 2,173,060 cases on June 30, 1938, and 1,070,059 cases on May 31, 1939, according to statistics compiled by the Association of Pacific Fisheries. The figures for both May 31 and June 30, 1939, represent the combined reports of 79 companies which packed 98 per cent of the 1938 pack. The figures for June 30, 1938, represent 89 companies and 99 per cent of the 1937 pack. The following table provides statistics of canned salmon stocks by grades or varieties and by can sizes for June 30, 1939, and comparisons with the totals for June 30, 1938:

GRADE OR VARIETIES	Tails (1 pound)	Flats (1 pound)	Halves (8 dozen)	Total June 30, 1939	Total June 30, 1938
Chinooks or Kings:	Cases	Cases	Cases	Cases	Cases
Fancy Red.....	4,672	10,855	14,610	30,137	37,043
Standard.....	2,417	1,795	7,468	11,680	35,080
Pale.....	1,210	187	174	1,541	1,908
White.....	33	296	329	658	
Puget Sound Sockeyes	3,542	47,764	51,305	35,976	
Alaska Reds.....	703,650	22,363	1,155	727,170	805,168
Cohoos, Silvers, Med.					
Reds.....	52,642	6,345	18,831	77,818	40,452
Pinks.....	73,053	3,237	309	76,599	1,123,298
Chums.....	10,607		1,451	20,958	91,011
Bluebacks.....			1,361	1,361	1,393
Steelheads.....		484	444	928	595
Totals.....	837,151	48,813	93,863	999,827	2,173,060

Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

VEGETABLES	Week ending—			Season total to—	
	July 8, 1938	July 8, 1939	July 1, 1939	July 8, 1938	July 8, 1939
Beans, snap and lima.....	18	3	13	8,033	6,472
Tomatoes.....	835	622	1,020	25,471	19,498
Green peas.....	68	167	234	3,803	4,671
Spinach.....	8	4	6	6,468	6,144
Others:					
Domestic, competing directly.....	1,508	1,541	1,682	108,304	108,624
FRUITS					
Citrus, domestic.....	2,700	2,160	2,814	140,922	133,370
Imports.....	15	8	2	211	85
Others, domestic.....	3,626	1,458	1,251	18,591	14,761

1938-1939 Purchases of Butter by FSCC

The Federal Surplus Commodities Corporation bought a total of about 122,000,000 pounds of surplus butter during the fiscal year ended June 30, 1939, according to announcement by the Department of Agriculture. The purchases were made at a total cost of about \$34,500,000, including handling charges.

Cuban Vegetable Exports to United States Decline

Exports of fresh vegetables from Cuba to the United States during the 1938-39 season just closed were appreciably under the preceding season, according to the American consul at Habana. Total shipments from November, 1938, to May of this year amounted to 62,039,546 pounds, against 78,236,078 pounds in the 1937-38 season and 76,221,711 pounds in the season of 1936-37. Exports of tomatoes, the outstanding item in the trade, decreased to 44,336,741 pounds in the 1938-39

season, compared with 54,092,366 pounds and 53,487,344 pounds, respectively, in the two seasons immediately preceding.

Canned Fruit Imports into United Kingdom

Arrivals of canned fruit at the principal ports of the United Kingdom during the five weeks ended June 3 were slightly less than in the preceding five weeks, but were substantially heavier than a year ago. Increased shipments of peaches, pineapple, and oranges partly offset the greatly reduced arrivals of grapefruit and apples and the smaller consignments of apricots, pears, and fruit salad.

Compared with the corresponding period of 1938, all varieties were received in larger quantities, but the increase was most marked in the case of peaches, pineapple, and oranges.

"Canned Food Reference Manual" Published

Designed especially to provide reliable information on canned foods to those professions dealing intimately with foods, the medical and dental, the American Can Company has published a new "Canned Food Reference Manual." The 256-page book includes the latest findings of research on such subjects as the conservation of food essentials, human dietary requirements, nutritional and public health aspects of canned foods, and canning procedures.

Free copies were offered to doctors and dentists in advertisements appearing in 31 medical and dental publications for May.

The book is illustrated, and the appendix contains a number of tables on technical aspects of foods.

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